



General Assembly

January Session, 2005

Raised Bill No. 950

LCO No. 2965

02965_____GL_

Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING PROTECTION AGAINST IDENTITY THEFT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2005*) As used in sections 1 to 3,
2 inclusive, of this act:

3 (1) "Consumer" means consumer as defined in section 36a-695 of the
4 general statutes;

5 (2) "Credit report" means credit report as defined in section 36a-695
6 of the general statutes; and

7 (3) "Credit rating agency" means credit rating agency as defined in
8 section 36a-695 of the general statutes.

9 Sec. 2. (NEW) (*Effective July 1, 2005*) (a) Any consumer may request
10 that a credit reporting agency establish a security freeze on the
11 consumer's account under which such agency shall refrain from
12 releasing all or any part of such consumer's credit report or any
13 information derived from such report without the express
14 authorization of the consumer to any person, except: (1) A person or
15 such person's subsidiary, affiliate, agent or assignee with which the

16 consumer has or, prior to assignment, had an account, contract or
17 debtor-creditor relationship for the purposes of reviewing the account
18 or collecting the financial obligation owing for the account, contract or
19 debt; (2) a person acting pursuant to a court order, warrant or
20 subpoena; (3) a state or municipal agency for the purposes of collecting
21 taxes, collecting child support or investigating fraud or any other
22 violation of the law; and (4) any person for the purposes of: (A)
23 Prescreening, as defined in 15 USC 1681 et seq.; (B) administering a
24 credit file monitoring service to which the consumer has subscribed,
25 (C) providing the consumer with a copy of such consumer's credit
26 report upon the consumer's request, or (D) subsection (f) of section
27 36a-699f of the general statutes.

28 (b) Any consumer may file a request pursuant to subsection (a) of
29 this section, in writing by certified mail, or through a secure electronic
30 mail connection provided by such credit reporting agency. Any credit
31 reporting agency shall implement such security freeze request not later
32 than thirty days after receipt of such security freeze request and
33 provide notification to the consumer of the implementation of such
34 request not later than three business days after such implementation.

35 (c) After implementation of any such security freeze, a consumer
36 may authorize any person to receive credit report information
37 concerning such consumer by filing a request, in writing by certified
38 mail, or through a secure electronic mail connection provided by such
39 credit rating agency. Such request shall include the consumer's proper
40 identification, unique personal identification number or password
41 provided by such credit rating agency, identifying information
42 concerning the recipient of the credit report information and such
43 other information as the credit reporting agency may request for
44 security purposes. Upon receipt of such request, such credit rating
45 agency shall implement such request not later than three business days
46 after receiving such request.

47 (d) Any credit rating agency may decline to implement or may

48 rescind such security freeze request if such agency believes, in good
49 faith, that such request was made as part of a fraud that the consumer
50 participated in, had knowledge of or can be demonstrated by
51 circumstantial evidence. In the event any such credit rating agency
52 declines to implement or rescinds a security freeze, such credit rating
53 agency shall promptly notify such consumer not later than five days
54 after such refusal.

55 (e) During any such security freeze, a credit rating agency shall, not
56 later than three business days after such attempt, report to such
57 consumer any attempt that is made to access a credit report of such
58 consumer by a third party for the sole purpose of receiving, extending
59 or otherwise utilizing the credit therein.

60 (f) No credit rating agency shall state or imply to a third party that
61 such consumer's security freeze is the result of a negative credit score,
62 history, report or rating.

63 (g) No credit rating agency shall charge a fee for implementation of
64 a security freeze pursuant to subsection (a) of this section or an
65 authorization for disclosure pursuant to subsection (c) of this section.

66 (h) Any violation of this section shall constitute an unfair insurance
67 practice.

68 Sec. 3. (NEW) (*Effective July 1, 2005*) Notwithstanding any provision
69 of the general statutes, any time a consumer is required to receive a
70 summary of rights required under the federal Fair Credit Report Act,
71 such consumer shall also receive a notice substantially similar to the
72 following:

73 "Connecticut Consumers Have the Right to Obtain a Security Freeze

74 You may obtain a security freeze on your credit report at no charge
75 to protect your privacy and ensure that credit is not granted in your
76 name without your knowledge. You have a right to place a "security
77 freeze" on your credit report.

78 The security freeze will prohibit a credit rating agency from
79 releasing any information in your credit report without your express
80 authorization or approval.

81 The security freeze is designed to prevent credit, loans and services
82 from being approved in your name without your consent. When you
83 place a security freeze on your credit report, within thirty days you
84 will be provided a personal identification number or password to use
85 if you choose to remove the freeze on your credit report or to
86 temporarily authorize the release of your credit report to a specific
87 party or parties after the freeze is in place. To provide that
88 authorization, you must contact the credit rating agency and provide
89 proper identification, a unique personal identification number or
90 password provided by the credit rating agency, identifying
91 information concerning the recipient of the credit report information
92 and such other information as the credit reporting agency may request
93 for security purposes.

94 A credit rating agency that receives a request from a consumer to lift
95 temporarily a freeze on a credit report shall comply with such request
96 within three business days after receiving the request.

97 A security freeze does not apply to circumstances where you have
98 an existing account relationship and a copy of your report is requested
99 by your existing creditor or its agents or affiliates for certain types of
100 account review, collection, fraud control or similar activities.

101 If you are actively seeking credit, you should understand that the
102 procedures involved in lifting a security freeze may slow your own
103 applications for credit. You should plan ahead and lift a freeze – either
104 completely if you are shopping around or specifically for a certain
105 creditor – a few days before actually applying for such credit.

106 You have a right to bring a civil action against someone who
107 violates your rights under credit reporting laws. The action can be
108 brought against a credit rating agency or a user of your credit report."

109 Sec. 4. Section 36a-699 of the general statutes is repealed and the
110 following is substituted in lieu thereof (*Effective July 1, 2005*):

111 Any person who wilfully violates any provision of sections 36a-695
112 to 36a-699, inclusive, section 2 of this act or section 36a-699f shall be
113 fined not more than one hundred dollars for a first offense and not
114 more than five hundred dollars for a second offense, and shall be fined
115 not more than one thousand dollars or be imprisoned for not more
116 than six months, or both, for each subsequent offense.

117 Sec. 5. Section 36a-696 of the general statutes is repealed and the
118 following is substituted in lieu thereof (*Effective July 1, 2005*):

119 (a) No creditor shall take adverse action based wholly or in part on
120 a credit report on any consumer applying to such creditor for credit for
121 personal, family or household purposes without first disclosing to the
122 consumer the name and address of the credit rating agency which
123 issued the report.

124 (b) Upon written request and proper identification of any consumer,
125 a credit rating agency shall disclose to the consumer, within five
126 business days of receipt of the consumer's request, the nature and
127 substance of all information in its files, including (1) any credit score or
128 predictor relating to the consumer, as required by and in a form and
129 manner that complies with the federal Fair Credit Reporting Act and
130 commentary adopted and enforced by the Federal Trade Commission;
131 (2) a record of all inquiries, by recipient, including the recipient's name
132 which resulted in providing a credit report concerning the consumer
133 during the preceding twelve-month period; (3) a clear and concise
134 explanation of the information; and (4) a written summary of the
135 consumer's rights under state and federal consumer credit reporting
136 statutes in a form substantially similar to the summary in section 36a-
137 699a. The credit rating agency [may] shall not charge [no more than
138 five dollars] any fee for the first request for such information within
139 the preceding twelve months and no more than [seven] five dollars
140 [and fifty cents] for any additional request within the same twelve-

141 month period for such information, provided such disclosure shall be
142 made without charge to the consumer if the request for disclosure is
143 made not more than sixty days after notification to the consumer of an
144 adverse action by a creditor.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>July 1, 2005</i>	New section
Sec. 3	<i>July 1, 2005</i>	New section
Sec. 4	<i>July 1, 2005</i>	36a-699
Sec. 5	<i>July 1, 2005</i>	36a-696

Statement of Purpose:

To provide consumers with the ability to place a security freeze on the issuance of their credit reports in order to prevent against identity theft.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]